

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 288th MEETING

HELD ON MARCH 27, 2020

The Long Island Power Authority (the “Authority”) was convened for the two-hundred-and-eighty-eighth time at 11:35 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on March 23, 2020, and electronic notice posted on the Authority’s website.

In compliance with Governor Andrew M. Cuomo’s Executive Order No. 202.1 on COVID-19 safety, the following guidelines were publicly posted and followed:

The Long Island Power Authority is taking steps to minimize the risk of exposure for the public and our employees. As such, LIPA will not be permitting in-person access to its March 27, 2020 Board meeting. Members of the public are encouraged to observe the live stream of the Board meeting posted at the LIPA website. The meeting will also be recorded and posted to LIPA’s website for later viewing

The following Trustees of the Authority were present:

Ralph Suozzi, Chairman (via video conferencing)
Matthew Cordaro, Acting Chair (in person)
Elkan Abramowitz (via video conferencing)
Drew Biondo (via video conferencing)
Sheldon Cohen (via video conferencing)
Mark Fischl (via video conferencing)
Peter Gollon (via video conferencing)
Laureen Harris (via video conferencing)
Ali Mohammed (via video conferencing)

Representing the Authority, in person, were Thomas Falcone, Chief Executive Officer; Rick Shansky, Vice President of Operations Oversight; Kenneth Kane, Interim Chief Financial Officer, and Bobbi O’Connor, Vice President of Policy, Strategy and Administration & Secretary to the Board of Trustees. Participating via video conferencing

were Anna Chacko, General Counsel; Donna Mongiardo, Vice President – Controller; and Justin Bell, Director of Rates and Regulation.

Representing PSEG Long Island via conference call were Rick Walden, Vice President of Customer Service; Peggy Keane, Vice President of Construction and Operations and Yuri Fischman, Director, Power Resources and Contract Management-Power Markets; and Bryan Irrgang, Manager of Electric Load Forecasting.

Representing KPMG via video conferencing were Ed Lee, John Pontecorvo, Ryan Weidner and Mike Percent.

Acting Chair Cordaro welcomed everyone to the 288th meeting of the Long Island Power Authority Board of Trustees.

Acting Chair Cordaro stated that the first item on the agenda was the Consideration of the Consent Agenda Items.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted by the Trustees based on the memoranda summarized below:

1514. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 6, 2020 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on February 6, 2020 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (the “LIPA”) is being requested to adopt a Resolution approving certain Compliance Board Policies and amendments to LIPA’s By-laws.

Discussion

In accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Procurement, the Board Policy on Property Disposition and the By-laws. Section 2879(1) of the Public Authorities Law requires that the procurement guidelines be annually reviewed and approved by LIPA. Additionally, Section 2896(1) of the Public Authorities Law requires that the property disposition guidelines be annually reviewed and approved LIPA.

Annual Review and Amendments to Certain Board Policies

Staff recommends no changes to either the Board Policy on Procurement or the Board Policy on Property Disposition.

With respect to the By-laws, Staff proposes to amend the provisions relating to Article IV, Section 5, Emergency Succession of the Chief Executive Officer. The amended By-laws are attached hereto as Exhibit “B”.

Recommendation

Based upon the foregoing, it is recommended that the Trustees adopt the resolution in the form attached hereto as Exhibit “A”.

1515. RESOLUTION APPROVING THE ANNUAL REVIEW OF CERTAIN COMPLIANCE BOARD POLICIES AND AMENDMENTS TO LIPA’S BY-LAWS

WHEREAS, in accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Procurement, the Board Policy on Property Disposition and the By-laws; and

WHEREAS, Section 2879(1) of the Public Authorities Law requires that the procurement guidelines be annually reviewed and approved by LIPA; and

WHEREAS, Section 2896(1) of the Public Authorities Law requires that the property disposition guidelines be annually reviewed and approved LIPA; and

WHEREAS, Staff recommends no changes to either the Board Policy on Procurement or the Board Policy on Property Disposition; and

WHEREAS, with respect to the By-laws, Staff proposes to amend the provisions relating to emergency succession.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the Public Authorities Law, the Board of Trustees hereby approves the annual review of the Board Policy on Procurement and Board Policy on Property Disposition; and

BE IT FURTHER RESOLVED, the Board of Trustees hereby approves the amendments to LIPA's By-laws relating to Emergency Succession of the Chief Executive Officer.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority is requested to approve a resolution, attached hereto as Exhibit "A", authorizing the Chief Executive Officer, or his designee, to engage twenty firms to provide utility consulting services, in the technical areas described below, on an as-needed basis for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, "LIPA") for a term not to exceed five (5) years.

Background

The consulting services to be provided by the firms selected in the RFP (as defined below) will support LIPA's oversight functions, including by providing specific technical expertise related to the Operations Services under the Amended and Restated Operations Services Agreement ("OSA"), as well as support LIPA's finance and ratemaking functions. The proposed contracts will replace existing contracts that are due to expire this year. The need for consulting assistance will vary depending on the nature and extent of performance monitoring issues that arise, the need to modify the existing metrics under the OSA, and the nature of projects or initiatives proposed by PSEG Long Island. LIPA staff believes it is likely that the needs will be project specific, diverse, and for limited duration and therefore are best met by consultants rather than full-time staff.

On October 24, 2019, LIPA issued a Request for Proposals ("RFP") for experienced firms to provide utility consulting services on an as-needed basis. The selected firms would be engaged under contract but would not be awarded any work unless and until a specific need arises. On or before November 21, 2019, LIPA received timely proposals from 24 firms. The 24 proposals were evaluated by a team of LIPA technical staff under the guidance of LIPA's legal and procurement staff.

Proposals were sought in the following areas or scopes of work:

- 1. Power Supply Planning**
- 2. Transmission and Distribution Services**
- 3. Customer Service oversight**
- 4. Behind the Meter Resources**
- 5. Information Technology & Services**
- 6. Financial Support Services**
- 7. Wholesale Market Policy**
- 8. Governmental Affairs**

Discussion

The 24 responsive proposals were evaluated according to the guidelines set forth in the RFP, which included assessments of the firms’ experience and qualifications, their hourly rates, proposed changes to LIPA’s standard consulting contract, and their proposals to comply with state requirements for participation by minority and women-owned business enterprises. Based on the evaluation, LIPA staff recommends that the following firms be awarded contracts in the scopes indicated:

Company Name	Scope 1	Scope 2	Scope 3	Scope 4	Information Technology						Scope 6	Scope 7	Scope 8
	Power Supply Planning	Transmission & Dist. Svcs.	Customer Service	Behind the Meter Resources	5A	5B	5C	5D	5E	5F	Financial Support Services	Wholesale Market Policy	Governmental Affairs
Vantage Energy Consulting, LLC											✓	✓	✓
Navigant		✓							✓				
Western Power P. Advisors	✓	✓		✓								✓	✓
Enernex					✓					✓	✓		✓
Donnelly & Moore								✓	✓				
The Brattle Group				✓									
Tie Bridge Inc.			✓		✓	✓	✓		✓		✓		
Utiligent			✓		✓	✓	✓						
Levitan & Associates, Inc.	✓											✓	
Energy & Environmental Economics, Inc.	✓			✓									
Advance Digital Systems								✓		✓			
NPTS, Inc.		✓											
Unique Comp, Inc.								✓	✓	✓			
Oliver Wyman							✓						
Applied Energy Group				✓		✓		✓					
Millenial Strategies													✓
PA Consulting	✓	✓	✓			✓	✓					✓	
Deloitte			✓		✓					✓	✓		

When a need for services arises that is beyond the expertise or availability of LIPA staff, and would be inappropriate to obtain from PSEG Long Island (e.g., oversight), LIPA will provide each selected contractor for the relevant scope of work with a description of the services required and experience necessary. Each contractor will be requested to provide resumes of available candidates, a plan for completing the work, and an estimate of each consultant’s time. In deciding to engage a contractor on a particular project, LIPA staff will consider the contractor’s expertise and “fit” for the assignment and the cost of the work. Appropriate budgetary review will also be conducted.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached resolution.

1516. RESOLUTION AUTHORIZING THE ENGAGEMENT OF FIRMS TO PROVIDE UTILITY CONSULTANT SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the firms so designated in the Requested Action to provide utility consulting services, in the technical

areas described, on an as-needed basis for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, “LIPA”) for a term not to exceed five (5) years.

Acting Chair Cordaro stated that the next item on the agenda was the CEO’s Report to be presented by Thomas Falcone.

Mr. Falcone presented the CEO Report and took questions from the Trustees.

Acting Chair Cordaro stated that the next item on the agenda was the Approval of Temporary Tariff Changes for COVID-19 Customer Impact Mitigation to be presented by Bobbi O’Connor.

After requesting a motion on the matter, which was seconded, Ms. O’Connor presented the following action item and took questions from the Trustees.

Requested Action

The Trustees are requested to approve temporary emergency changes to the Long Island Power Authority’s Tariff for Electric Service (“Tariff”) allowing PSEG Long Island to waive customer late payment and reconnection fees (including backbilled demand and service charges) and to suspend the expiration of low-income customer discounts.

Background

On January 30, 2020, the World Health Organization designated the novel coronavirus, COVID- 19, outbreak as a Public Health Emergency of International Concern. On March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York and authorizing all necessary State agencies to take appropriate action to assist local governments and individuals in containing, preparing for, responding to and recovering from this State disaster emergency, to protect state and local property, and to provide such other assistance as is necessary to protect public health, welfare, and safety.

On March 18, 2020, the Governor issued Executive Order 202.6, ordering all businesses in the State to implement telecommuting policies to the extent possible. On March 20, 2020, the

Governor issued the “New York on PAUSE” Executive Order, closing all non-essential businesses and banning all non-essential gatherings in the State.

Proposed Action

LIPA staff proposes emergency temporary modifications to its Tariff for Electric Service to allow PSEG Long Island (1) to suspend application of customer late payment charges, (2) to suspend application of customer reconnection charges (including backbilled demand and service charges), and (3) to extend the grace period for customers to re-enroll in the low-income customer discount program; as needed, for customers impacted by COVID-19 and the associated impact on local businesses including closures and potential layoffs.

The proposed changes, shown in Exhibit B, are pursuant to the emergency rulemaking provisions of the State Administrative Procedures Act (“SAPA”) and, if approved, will be in effect for 90 days from April 1, 2020. LIPA staff further requests that the Trustees grant staff the discretion to extend the 90-day period if needed, in accordance with the SAPA emergency rulemaking provisions.

Financial Impact

The estimated impact of the proposal is approximately \$3 million in foregone 2020 revenues. This includes \$2.4 million due to waiving late payment charges for 90 days and \$560,000 due to waiving reconnection charges for 90 days. In addition, staff estimates that approximately \$5.9 million may be deferred for 2021 recovery in the revenue decoupling mechanism. This includes \$45,000 due to suspending the expiration of low-income discount enrollments for 90 days and \$5,833,000 due to waiving reconnection-related backbilling of demand and service charges for 90 days (assuming a 5% loss in these revenues).

Note that these estimates are based on 2019 revenues. The actual losses from waived late payment charges and reconnection fees in 2020 could be higher if the economic impact of COVID-19 or other factors cause more than usual late payments and service reconnections.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the temporary modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1517. APPROVAL OF TEMPORARY EMERGENCY TARIFF CHANGES FOR COVID-19 CUSTOMER IMPACT MITIGATION

WHEREAS, on January 30, 2020, the World Health Organization designated the novel coronavirus, COVID-19, outbreak as a Public Health Emergency of International Concern; and

WHEREAS, on March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York and authorizing all necessary State agencies to take appropriate action to assist local governments and individuals in containing, preparing for, responding to and recovering from this State disaster emergency, to protect state and local property, and to provide such other assistance as is necessary to protect public health, welfare, and safety; and

WHEREAS, on March 18, 2020, the Governor issued Executive Order 202.6, ordering all businesses in the State to implement employee telecommuting to the extent possible; and

WHEREAS, on March 20, 2020, the Governor issued the “New York on PAUSE” Executive Order, closing all non-essential businesses and banning all non-essential gatherings in the State; and

WHEREAS, the Trustees have reviewed the proposal and determined that these actions are necessary and prudent to mitigate the impact of COVID-19 on customers, and have further determined that it is necessary for the preservation of the general welfare that this amendment be adopted on an emergency basis as authorized by section 202(6) of the State Administrative Procedure Act, effective immediately upon filing with the Department of State; and

WHEREAS, a notice of emergency adoption will be filed in the State Register upon certification of this Resolution’s approval by the Chair of the LIPA’s Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective April 1, 2020 for a period of 90 days, which may be extended as needed in accordance with SAPA emergency rulemaking procedures; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the temporary Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Acting Chair Cordaro stated that the next item on the agenda was the Approval of Resolutions Related to Revenue Notes and Credit Agreements to be presented by Kenneth Kane.

After requesting a motion on the matter, which was seconded, Mr. Kane presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees is requested to approve: (i) an amendment of LIPA's Twenty-Third Supplemental Bond Resolution, as heretofore amended and supplemented, for the purpose of facilitating the marketing of certain Revenue Notes issued thereunder; and (ii) a resolution authorizing the amendment of LIPA's Revolving Credit Agreement with JP Morgan Chase Bank NA and the execution and delivery of one or more additional revolving credit agreements with one or more financial institutions.

Background

The Board has previously authorized an aggregate principal amount of Revenue Notes and revolving credit agreements that may be issued and outstanding at any time of up to \$1,200,000,000. These Revenue Notes and revolving credit agreements, together with cash on hand and investments, provide interim funding to LIPA for capital projects, working capital needs, and unexpected events, such as severe storms.

The recent public health crisis has caused dislocations in the money markets over the last two weeks. The Federal Reserve and U.S. Treasury have responded with several measures to restore market liquidity and confidence.

Discussion

As we monitor the condition of the money markets and actions by the Federal Reserve, Staff seeks the Board's authorization for certain changes to the Revenue Note Program and an expansion of revolving credit agreement capacity to provide flexibility to respond to evolving market conditions.

Changes to Revenue Note Program. LIPA has previously authorized the issuance of senior lien Notes in one or more series (collectively, the "Revenue Notes") having maturities of up to five years pursuant to a Twenty-Third Supplemental Bond Resolution, as amended and restated (the "Twenty-Third Supplemental Bond Resolution"). Pursuant to such authorization, LIPA has issued Revenue Notes of several series from time to time. To date, all such Revenue Notes have had maturities or been subject to mandatory tender on a date not less than 271 days after the issuance thereof.

Recent market conditions have caused an increase in the interest rates on such short term Revenue Notes. In order to provide greater flexibility in the marketing of such Revenue Notes and to assure LIPA has access to liquidity on favorable terms, we now intend to consider issuing longer maturities of such Revenue Notes and may place such Revenue Notes directly with one or more financial institutions, rather than offering such Revenue Notes through Dealers to investors in the money markets. Revenue Notes presently outstanding are secured by letters of credit or other similar facilities (“Note Credit Facilities”) issued by banks. Staff proposes to permit Revenues Notes that mature longer than 271 days or are directly placed with financial institutions that are not required to be so secured by Note Credit Facilities. The Twenty-Third Supplemental Resolution permits Notes to be issued with or without such Note Credit Facilities, to the extent approved by a resolution adopted by the Trustees. The financial institutions to participate in these placements would be selected by the Chief Executive Officer or his designee following receipt of proposals.

All of the Revenue Notes issued as part of the existing series of Revenue Notes will continue to be secured as currently provided. Any Revenue Notes issued with a maturity longer than 271 days or issued without a Note Credit Facility will be issued as part of new series under the Twenty-Third Supplemental Resolution pursuant to one or more new Certificates of Determination delivered under the Twenty-Third Supplemental Resolution, as amended and supplemented pursuant to the attached resolution.

To the extent that Revenue Notes are directly placed with a financial institution, LIPA may enter into a placement, continuing covenant or other agreements with such financial institution.

The Issuing and Paying Agency Agreement and Dealer Agreements contemplated by the Twenty-Third Supplemental Bond Resolution will not be utilized with respect to any such Revenue Notes.

***Expansion of Revolving Credit Agreement Capacity.* The Board has previously authorized LIPA to enter into a revolving credit agreement with JPMorgan Chase Bank, N.A. in an amount up to \$350,000,000. Pursuant to such authorization, in 2019, LIPA entered into such an agreement for an amount up to \$200,000,000.**

In light of current money market conditions, Staff proposes to increase the authorization of this source of liquidity.

Accordingly, Staff proposes that LIPA be authorized to amend its existing revolving credit agreement with JPMorgan Chase Bank, N.A. to increase the amount borrowable thereunder and to enter into one or more new credit agreements with one or more financial institutions.

Authorization is requested for additional revolving credit agreement borrowing capacity of up to \$300,000,000 for a total of \$500,000,000 borrowing capacity under one or more revolving credit agreements. The banks to participate in any expansion of the revolving credit will be selected by the Chief Executive Officer or his designee following receipt of proposals.

The obligation to repay amounts advanced under the proposed new or amended credit agreements will be evidenced by Notes issued under the Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution on May 18, 2016 and one or more Certificates of Determination to be entered into pursuant thereto.

The total amount of Revenue Notes and revolving credit agreements that may be issued and outstanding at any time will continue to be capped at up to \$1,200,000,000. The requested actions provide additional flexibility to meet LIPA's short-term funding needs while not increasing total debt outstanding.

Recommendation

Based upon the foregoing, I recommend that the Trustees adopt the resolutions attached hereto authorizing (i) the placement of Revenue Notes with financial institutions, providing flexibility as to the delivery of Note Credit Facilities and making certain amendments to the Twenty-Third Supplemental Bond Resolution and (ii) authorizing the amendment of LIPA's Revolving Credit Agreement with JP Morgan Chase Bank NA and the execution and delivery of one or more additional revolving credit agreements with one or more financial institutions.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1518. AMENDMENT AND SUPPLEMENT TO TWENTY-THIRD SUPPLEMENTAL BOND RESOLUTION OF THE LONG ISLAND POWER AUTHORITY ADOPTED AUGUST 6, 2014, AS HERETOFORE AMENDED AND RESTATED

WHEREAS, the Twenty-Third Supplemental Electric General Revenue Bond Resolution Authorizing Electric System General Revenue Notes of the Long Island Power Authority ("LIPA" or the "Authority") adopted August 6, 2014, as heretofore amended and restated (the "Twenty-Third Supplemental Resolution"), presently authorizes LIPA to issue "Electric System General Revenue Notes" (the "Revenue Notes") from time to time in a maximum aggregate principal amount which, together with certain other obligations of the Authority described therein, does not exceed \$1,200,000,000 outstanding at any time, all as more particularly provided in the Twenty-Third Supplemental Resolution; and

WHEREAS, LIPA wishes to amend and supplement certain provisions of the Twenty-Third Supplemental Resolution related to the method of marketing and delivering the Revenue Notes and as to the circumstances in which Note Credit Facilities (as defined in the Twenty-

Third Supplemental Resolution) must be delivered, all for the purpose of facilitating the marketability of the Revenue Notes on reasonable terms.

NOW THEREFOR be it resolved by LIPA as follows:

Section 1. Pursuant to Section 4.01 of the Twenty-third Supplemental Resolution, with respect to Revenue Notes issued on or after March 27, 2020 which mature at least 271 days after the issuance thereof or are privately placed with a financial institution need not be supported by a Note Credit Facility to the extent so provided in the Certificate of Determination relating to such Revenue Notes.

Section 2. Notwithstanding anything in the Twenty-Third Supplemental Resolution to the contrary, provisions related to the Issuance and Paying Agency Agreement, Dealer Agreements and Offering Memorandum shall not apply to Revenue Notes privately placed with a financial institution and no such agreement or document shall be required with respect to such Revenue Notes, all to the extent so provided in the applicable Certificate of Determination. In connection with any such placement with a financial institution, any Authorized Representative may and is hereby authorized to enter into a placement, purchase agreement, continuing covenant agreement or other agreement with any such financial institution, in such form as such Authorized Representative shall approve.

Section 3. All terms used and not otherwise defined are used as defined in the Twenty-Third Supplemental Resolution.

Section 4. The Chief Executive Officer, Chief Financial Officer, Vice President-Controller and Secretary (collectively, the “Authorized Officers”) are each hereby authorized to deliver this Amendment and Supplement to Twenty-Third Supplemental Resolution to The Bank of New York Mellon, as the Trustee for the Bonds, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by such Authorized Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby. This Amendment to Twenty-Third Supplemental Resolution shall be fully effective in accordance with its terms the filing with the Trustee of a copy hereof, certified by an Authorized Officer of the Authority.

Section 5. Except as amended and supplemented hereby, the Twenty-Third Supplemental Resolution shall remain in full force and effect and is hereby ratified and confirmed.

Nothing in this resolution shall be deemed or construed to limit or alter any rights of the owner of any outstanding Revenue Notes.

1519. RESOLUTION AUTHORIZING THE AMENDMENT OF LIPA'S EXISTING REVOLVING CREDIT AGREEMENT AND THE EXECUTION AND DELIVERY OF ONE OR MORE ADDITIONAL REVOLVING CREDIT AGREEMENTS

WHEREAS, on May 13, 1998 the Long Island Power Authority (“LIPA” or the “Authority”) adopted its Eclectic System General Revenue Bond Resolution (the “General Resolution”), which authorizes bonds, notes or other evidences of indebtedness of the Authority, as special obligations of the Authority in accordance with the terms thereof for any lawful purpose of the Authority; and

WHEREAS, on December 13, 2012, the Trustees adopted the Nineteenth Supplemental Electric System General Revenue Bond Resolution and on May 18, 2016, the Trustees approved the amendment and restatement thereof (as so amended and restated, the “Nineteenth Supplemental Resolution”) which authorized Electric System General Revenue Notes in an amount not to exceed \$500,000,000 outstanding at any one time; and

WHEREAS, pursuant to the Nineteenth Supplemental Resolution LIPA has previously entered into an agreement with JPMorgan Chase Bank NA (the “Existing Revolving Credit Agreement”) in a principal amount not to exceed \$200,000,000, for the purpose of a providing a source of funding for the capital, operating needs, and other purposes of the Authority, as set forth in the Nineteenth Supplemental Resolution; and

WHEREAS, the Board of Trustees has determined to increase LIPA’s access to liquidity by amending the Existing Revolving Credit Agreement to increase the amount which may be borrowed thereunder and/or to enter into one or more new agreements with one or more financial institutions (collectively, the “New Agreements”);

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Board of Trustees hereby authorizes amendment of the Existing Revolving Credit Agreement to increase the principal amount permitted to be borrowed thereunder and authorizes the execution and delivery of one or more New Agreements, such that the combined principal amount to be borrowed and outstanding at any time under the Existing Revolving Credit Agreement and the New Agreements shall not to exceed \$500,000,000.

2. The payment obligation of the Authority under the Existing Revolving Credit Agreement and any New Agreements shall be evidenced by the issuance of Notes constituting senior lien obligations under the General Resolution, as provided in the Nineteenth Supplemental Resolution.

3. That the Chief Executive Officer, Chief Financial Officer, Vice President-Controller and Secretary (collectively, the “Authorized Officers”) be, and each of them hereby is, authorized to approve, execute and deliver, under the seal of the Authority if required, any amendment to the Existing Revolving Credit Agreement and any New Agreements and such other agreements, certificates and other instruments and to do any and all acts necessary or proper

for carrying out and implementing the terms of, and the transactions contemplated by this resolution and each of the documents authorized thereby and hereby.

4. The Authorized Officers are each hereby authorized to deliver this resolution to The Bank of New York Mellon, as the Trustee, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by such Authorized Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby. This resolution shall be fully effective in accordance with its terms the filing with the Trustee of a copy hereof, certified by an Authorized Officer of the Authority.

5. Except as supplemented hereby or pursuant to the terms hereof, the Nineteenth Supplemental Resolution shall remain in full force and effect and is hereby ratified and confirmed.

Nothing in this resolution shall be deemed or construed to limit or alter any rights of the owner of any outstanding Note issued under the Nineteenth Supplemental Resolution

Acting Chair Cordaro stated that the next item on the agenda was the Discussion of Peak Load Forecast and NOx Compliance Plan to be presented by Rick Shansky.

Mr. Shansky presented the Discussion of Peak Load Forecast and NOx Compliance Plan and took questions from the Trustees.

Acting Chair Cordaro stated that the next item on the agenda was the Discussion of 2020 OSA Performance Metrics to be presented by Rick Shansky.

Mr. Shansky presented the Discussion of 2020 OSA Performance Metrics and took questions from the Trustees.

Acting Chair Cordaro stated that the next item on the agenda was the Discussion of 2019 Financial Report to be presented by Donna Mongiardo.

Ms. Mongiardo presented the Discussion of 2019 Financial Report and took questions from the Trustees.

Acting Chair Cordaro stated that the next item on the agenda was the Discussion of 2019 Audit Results with Independent Auditors to be presented by representative from KPMG.

KPMG presented the 2019 Audit Results, after which, the Acting Chair asked for a motion to adjourn to Executive Session and announced that no votes would be taken and the Board will be returning to Open Session. The motion was duly seconded and the following resolution was adopted:

1520. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing personnel matters.

At approximately 12:31 pm the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session, whereupon the Board resumed in Open Session at approximately at 12:39 p.m.

Acting Chair Cordaro stated that the next item on the agenda was the Approval of 2019 Financial Report.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve the 2019 Financial Report of the Authority (the “Financial Report”) prepared in accordance with Section 2800(1) of the Public Authorities Law (“PAL”), in the form attached as Exhibit “B”.

2018 Financial Report

Section 2800(1) of the PAL requires LIPA to submit an annual report to the Governor, the Chairman and ranking minority member of the Senate Finance committee, the Chairman and ranking minority member of the Assembly Ways and Means committee, the State Comptroller, and the Authorities Budget Office, within ninety days after the end of LIPA’s fiscal year. Under Section 2800(1)(a)(2) of the PAL, the Financial Report shall include the following: audited financials; grant and subsidy programs; operating and financial risks; current bond ratings; and long-term liabilities. Section 2800(3) of the PAL requires the Financial Report to be approved by the Board.

Recommendation

Based upon the foregoing, it is recommended that the Trustees adopt the resolution in the form attached hereto as Exhibit “A”.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1521. RESOLUTION APPROVING THE 2019 FINANCIAL REPORT OF THE LONG ISLAND POWER AUTHORITY

WHEREAS, Section 2800(1) of the Public Authorities Law (“PAL”) requires public authorities such as the Long Island Power Authority (“LIPA”) to prepare an annual report; and

WHEREAS, LIPA’s annual report includes, among other things, a financial report, as defined under Section 2800(1)(a)(2) of the PAL (the “Financial Report”); and

WHEREAS, LIPA has prepared its Financial Report, which, pursuant to Section 2800(3) of the PAL, is subject to the approval of the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves the 2019 Financial Report of the Long Island Power Authority, in the form presented at this meeting.

Acting Chair Cordaro stated that the next item on the agenda was the Approval of 2019 Investment Report to be presented by Kenneth Kane.

After requesting a motion on the matter, which was seconded, Mr. Kane presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (the “LIPA”) is requested to adopt a resolution approving: (i) the LIPA’s Annual Investment Report for 2019 in the form attached hereto as Exhibit “B”; and (ii) the 2020 Board Policy on Investments in the form attached hereto as Exhibit “D”.

Annual Investment Report for 2019

Section 2925 of the Public Authorities Law (“PAL”) requires that LIPA annually review and approve an investment report. LIPA’s investments are either (i) managed by an investment manager in primarily short term, highly liquid investments; or (ii) invested in broad-based, low cost equity and fixed-income mutual funds. All investments of LIPA funds are governed by the Board Policy on Investments.

LIPA’s investments were compliant with the terms and conditions of the Policy for 2019 and performed consistent with Staff’s expectations given the nature of the investments.

2020 Board Policy on Investments

The Board is also required by Section 2925(6) of the PAL to annually review and approve the Board Policy on Investments, which detail the Board’s operative instructions to Staff regarding the investing, monitoring and reporting of LIPA funds. The Board Policy on Investments was last reviewed and approved on September 25, 2019.

The proposed revisions to the Board Policy on Investments seek to clarify, simplify and ensure continued compliance with various contractual and regulatory requirements.

Based on Staff’s review, which was performed in consultation with LIPA’s investment advisor, bond counsel, and disclosure counsel, Staff proposes the following changes:

- the addition of Secured Overnight Financing Rate (SOFR) as another index option for Floating Rate Notes in consideration of the LIBOR rate sunseting December 31, 2020;
- establishing quarterly and annual management reporting deadlines of 45 days and 90 days respectively; and
- certain other nonmaterial amendments.

All changes to the Policy are shown in Exhibit “C”.

Recommendation

Based upon the foregoing, I recommend the approval of the above requested action by adoption of resolution in the form attached hereto as Exhibit “A”.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1522. RESOLUTION APPROVING THE ANNUAL INVESTMENT REPORT FOR 2019 AND THE 2020 BOARD POLICY ON INVESTMENTS

RESOLVED, that the Board of Trustees hereby approves the Annual Investment Report for the period ended December 31, 2019, in the form presented at this meeting; and

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves and adopts the revised Board Policy on Investments in the form presented at this meeting to be effective immediately.

Acting Chair Cordaro then stated that the final three agenda items, (i) Chief Financial Officer’s Report; (ii) Secretary’s Report on Board Policies and Communication; and (iii) PSEG Long Island Operation Report, would be available in written submission only, and available at the Long Island Power Authority website for viewing.

Acting Chair Cordaro then announced that the next Board meeting is scheduled for Wednesday, May 20, 2020 at 11:00 a.m. in Uniondale.

Acting Chair Cordaro then asked for a motion to adjourn. The motion was duly made and seconded, and the meeting concluded at approximately 12:44 p.m.
